

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**November 20, 2003**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present:                Ted Wahby, Chairman  
                             Lowell Jackson, Commissioner  
                             John Garside, Commissioner  
                             C. Robert Baillod, Commissioner  
                             Robert Bender, Commissioner

Also Present:        Pat Lockwood, Commission Advisor  
                             Jerry Jones, Commission Auditor  
                             Pat Isom, Assistant Attorney General  
                             Gloria J. Jeff, Director  
                             Leon Hank, Chief Administrative Officer  
                             Larry Tibbits, Chief Operations Officer  
                             Myron Frierson, Bureau of Finance and Administration  
                             John Friend, Bureau of Highway Delivery  
                             Kirk Steudle, Chief Deputy Director

Excused:             Betty Jean Awrey, Vice Chairman

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:05 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I.        **COMMISSION BUSINESS**

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation meeting of October 30, 2003.

Moved by Commissioner Bender, with support from Commissioner Baillod, to approve the minutes of the Commission meeting of October 30, 2003. MOTION CARRIED.

## II. **RESOLUTIONS**

### 2003-05 Tribute to Sandy Draggoo, Executive Director Capital Area Transportation Authority

Chairman Wahby read and presented Ms. Draggoo with a plaque from the State Transportation Commission, on behalf of the people of Michigan, acknowledging her for the outstanding contributions made to our state and the nation's public transportation system.

Director Jeff made brief comments acknowledging the outstanding career and accomplishments of Ms. Draggoo.

Ms. Draggoo gave a brief statement thanking the Commission.

### 2003-06 Tribute to Fred Rakunas, Former Chairman Aeronautics Commission

Chairman Wahby read and presented Mr. Rakunas with a Resolution of Appreciation from the State Transportation Commission, on behalf of the citizens of Michigan, expressing our most sincere gratitude for a lifetime of service and dedication to promoting aviation in Michigan, the nation, and worldwide.

Commissioner Bender made brief comments regarding the outstanding career and accomplishments of Mr. Rakunas. He also read brief comments written by Ron Seely.

Mr. Rakunas gave a brief statement thanking the Commission.

The Chair called on Director Jeff for the Director's Report.

## III. **DIRECTOR'S REPORT - DIRECTOR GLORIA J. JEFF**

### Transportation Related Recommendations from Land Use Council

Director Jeff reported that over 150 recommendations were made, most, but not all, with consensus support. Some dealt directly with transportation. The recommendations will be implemented by various means, i.e., required legislation, Departments action, Executive Directive from the Governor. The arenas of transportation related recommendations include land use planning, transit, context sensitive solutions, supporting "safe routes to school" programs, and infrastructure investment.

Director Jeff stated that the Governor has already begun the process of implementing the first of the recommendations. Executive Order 2003-22 directs state departments to locate new state facilities and buildings in urban areas. MDOT will be relocating our Detroit TSC to the CDG area.

Action is currently being taken in the Legislature regarding billboards and context sensitive solutions. Legislative action will also be necessary on the recommendations with respect to the comprehensive transportation fund. The Commission will be kept informed as we go through those activities. We may have to come back to the Commission regarding the aesthetics policy in place with respect to context sensitive solutions. MDOT wants to enhance that to be consistent with any additional actions that have to be done in that arena.

The Director asked if there were any questions. None were forthcoming.

#### Aviation Reauthorization

Director Jeff reported AIR-21, counterpart to T-21, expired on 9/30/03. Congress extended this on 10/1/03 with an additional 30 days with an emergency spending measure comparable to the 5-month extension of TEA-21, which provides funding for transportation side. The House passed the FAA Reauthorization Bill H.R. 2115 by a vote of 211-207.

Provisions of this Reauthorization Bill include: providing Michigan with approximately \$160 million in Airport Improvement Program Funds; funding the airport grant programs for 4 years starting at \$3.4 billion in fiscal year 2004; increasing funding by \$100 million annually over the life of the bill; authorizing \$500 million annually for airport security improvement projects nationwide; streamlining the environmental review process for aviation safety and capacity projects; and continuing Aviation Trust Fund Firewall.

Further, the issues impacting Michigan include the possible delay in Senate Passage to early 2004, late winter passage delaying the bid-letting and approval process.

Finally, the Director indicated the next steps. One of the high priorities will be reaffirming political support from our Congressional Delegation in Washington to obtain approval of the FAA Reauthorization and accompanying appropriation bills within the next 90 days.

Director Jeff asked for questions relating to this issue.

Commissioner Bender briefly gave some clarification to the issue of reauthorization on the air side.

A copy of the Director's PowerPoint presentation is attached.

IV. **OVERSIGHT**

Commission/State Administrative Board Contracts and Agreements (Exhibit A) – Myron Frierson

Ms. Lockwood stated that Items 1, 21 and Supplemental-A are subject to completion of internal review.

Mr. Frierson noted a revision to Exhibit A-Item 1. The term of the contract will be 5 years instead of 10 years. Consequently the revenue amount will be approximately \$4.7 million.

Mr. Frierson asked for questions. None were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Baillo to approve Exhibit A and supported by Commissioner Garside. Motion carried on a unanimous voice vote.

Asset Management Data Contract (Exhibit A-Supplemental) – Rick Lilly

Rick Lilly deferred to Chairman Carmine Palombo to discuss the content of the contract.

Mr. Palombo asked the Commission to approve the Asset Management Council entering into an agreement with the Michigan Center for Geographic Information to provide a service where the MCGI would act as a central data agency in accordance with their work program and the requirements of Act 499. The TAMC's work program requires that they use a framework for data collection, and rather than duplicate work by hiring another consultant, have CGI do the work utilizing the framework they currently have in place. MDOT would enter into the agreement with Michigan Department of Information Technology on behalf of the Council in order to administer the agreement. This agreement would require that the work be performed on an annual basis. The cost would be submitted to the Council prior to submittal of their annual budget to the Commission. The current 2004 budget estimates costs of \$100,000. Length of the agreement asked for is for 3 years with a 2 year renewal option. Funding comes from an annual appropriation from the Michigan Transportation Fund. The Council requests that CGI attend their regular TAMC monthly meetings as on-going members as required by the Act, serve as a central repository for the data collection, assist in determining what data is necessary and what should be stored by the Council, assistance in developing and implementing procedures and rules for accessing information, assistance in developing and implementing quality control procedures and standards.

Asset Management Council is requesting that the Commission approve the Council's selection of CGI, and the agreement between MDOT and MDIT for the services on behalf of the Council.

Commissioner Baillod asked whose responsibility it would be for choosing the renewal option after 3 years.

Mr. Lilly said it would be joint between either one of the two parties, but with the final approval by the Commission.

Chairman Wahby called for a motion. Motion was made by Commissioner Baillod to approve Supplemental Exhibit A and supported by Commissioner Jackson. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a recap on November activities. There were 42 state projects let on 11/7/03 totaling \$52.7 million. One project was a \$17 million bridge painting job at the Mackinaw Bridge. In comparison to last year there were 40 state projects totaling \$41.7 million. Through the November letting, we let \$98.2 million projects versus \$120 million for the same period last year. Based upon current engineer's estimates, approximately \$655 million in state contract lettings are planned for this year.

Mr. Frierson asked for the Commissions' pre-approval of the December letting. There are 53 projects with engineers' estimates of around \$50 million.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender to pre-approve Exhibit A-1. Motion supported by Commissioner Baillod and carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – Myron Frierson and John Polasek

Before he began with Exhibit A-2, Mr. Frierson referred back to Octobers' meeting when Commissioner Jackson asked what the FHA's concern point is when an item is over the engineers' estimate. He related that in discussion with Federal Highway staff, the current guideline is that states are required to have at least 50% of their total projects to have been plus or minus 10% of the engineers' estimate. There is not a "per project" approval process.

Commissioner Jackson restated his concerns and recommended that a sensitivity analysis be done.

Mr. Frierson stated that follow-up would be done and a recommendation be brought back to the Commission. He further referred to current Commission policy which requires that projects over \$500,000 come before the Commission. After the pre-approval of a contract letting, policy requires the review and approval of contracts where we receive a single bid, in cases where we rejected the low bid, or in cases where it is 10% over.

Director Jeff stated we would come back with a review of the current Commission policy during the February meeting and provide recommendations on any changes that we might suggest to address the issues brought forward.

Mr. Polasek gave his portion of the report regarding Exhibit A-2:

Item 1: One bid at 8.47% under the engineers' estimate.

Item 2: 26.8% over engineers' estimate.

Commissioner Jackson asked about the wording logic in Item 2 as it relates to comparing the low bid for an item with the company that is not the low bidder. Suggested that the wording be changed or remove the sentence.

A motion was made by Commissioner Jackson to accept Exhibit A-2. Motion supported by Commissioner Garside and carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson stated that this item is a project with one bidder, it is there for information purposes only, and no action is necessary.

Contract Adjustments (Exhibit B) - John Friend

Mr. Friend asked to walk-on 1 item, which is a revision to Exhibit B. The addition is a major bridge project in the Metro Detroit area. Therefore, asking approval on all 4 agenda items.

Commissioner Baillod had questions regarding the dollar amount of Item #2003-70.

Mr. Friend explained that there were some unforeseen issues relating to that project. The higher dollar amount reflects the difference between the work that was intended to be done versus the field conditions they encountered.

Commissioner Jackson asked what method is used to determine an alternative fix when an unforeseen issue arises.

Mr. Friend replied that they use bridge inspection data, which is done on a bi-annual basis, as well as a detail scope during the design phase.

Motion was made by Commissioner Garside and supported by Commissioner Jackson to approve the contract adjustments. The motion carried on a unanimous voice vote.

Freight Services and Safety Division Audit Report (Exhibit C) - Jerry Jones

Jerry Jones reported that the Division operated in substantial compliance with Commission policy, DMB policy and procedures, and federal and state laws as it relates to those processes. The report does contain findings and recommendations that we believe will strengthen the departments' internal control system in regard to those processes. Mr. Jones asked the Commission to accept the report.

Chairman Wahby stated he reviewed the audit report, discussed it with Mr. Jones, and is pleased to see that the department is in the process of implementing the recommendations.

Chairman Wahby then made a motion to accept the audit report. The motion was supported by Commissioner Jackson and carried on a unanimous voice vote.

Rail Policy - Polly Kent, Policy Administrator

Polly Kent gave a PowerPoint presentation regarding the need to transport people and goods in a safe, efficient, and environmentally sound manner. The intent of the intercity/high speed passenger rail policy is to provide direction for the design, development, and implementation of passenger rail service in Michigan.

There is need for a policy to provide direction for the Department regarding rail planning and investment, to provide direction for elected officials, support Midwest Regional Rail Initiative, and to guide High Speed Rail Compact actions.

The policy consists of 5 basic principles which will aid in addressing system, future funding, railroad and service provider considerations, and provide guidance for intermediate, short-term and long-term actions:

- 1: A balanced transportation system
2. A national vision
3. Dedicated multi-year federal funding source
4. Preserve freight railroad system integrity
- 5a. Reasonable performance goals for Amtrak
- 5b. Competitive service provider selection process

The next steps would include policy action by the STC, shaping of federal rail legislation, incorporation of the policy into State long range plan, and use this as one basis in decision making.

Ms. Kent asked the Commission for approval of this policy.

Commissioner Jackson asked about comments stating Amtrak was inconsistent and under-funded. He expressed concerns with the language in the policy reflecting the promotion of high-speed passenger rail service on all current Amtrak routes in Michigan.

Ms. Kent stated that it would only be on the designated high speed rail corridors, not all routes.

Commissioner Jackson suggested revising the language to read "selected intercity high speed rail" routes.

Ms. Kent and Director Jeff assured the Commission that the language would be clarified.

A motion was made by Commissioner Baillod and supported by Commissioner Bender to have the policy brought back before the Commission in January 2004, subject to subsequent changes, for approval at that time. The motion carried on a unanimous voice vote.

A copy of the presentation is attached.

Appointment of Asset Management Township Rep - Carmine Palombo, Chairman

Mr. Palombo asked the Commission to accept the resignation of Mr. John Elsinga, and approve the appointment of Mr. Gerald Richards as the new township representative to the Asset Management Council.

Motion was made by Commissioner Baillod and supported by Commissioner Bender to approve the appointment. The motion carried on a unanimous voice vote.

IV. **PRESENTATIONS**

Asset Management Council Report – Carmine Palombo, Chairman

Mr. Palombo gave a brief report on the November TAMC meeting. A copy of their minutes is attached.

No questions were forthcoming.

V. **PUBLIC COMMENTS**

Patricia Lockwood reminded the Commission of the December 11<sup>th</sup> STC Workshop for the purpose of reviewing the Five-Year Road and Bridge Program. She introduced and welcomed the new Executive Assistant to the Commission, Marneta Griffin.

**ADJOURNMENT**

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 10:15 a.m.

The next meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on January 29, 2004, commencing at the hour of 9:00 a.m.

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Patricia A. Lockwood  
Commission Advisor